



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: INDIANA DEPARTMENT OF CHILD SERVICES (DCS)
TITLE: DCS SERVICE PROVIDER #4 THEFT
CASE ID: 2015-02-0014
DATE: March 16, 2017

The Inspector General's Chief Legal Counsel, Tiffany Mulligan, after an investigation by Director of Investigations, Darrell Boehmer, reports as follows:

On January 28, 2015, the Office of Inspector General (OIG) received a request from the Indiana Department of Child Services (DCS) to investigate double billing by several service providers, including a female service provider in Lake County (Provider 4) who was working with three DCS vendors. DCS had performed an audit of service vendors in Lake County for the period of January 1, 2013 to August 31, 2014. The audit found that Provider 4 was billing more than one vendor for the same time periods for services on different DCS cases.

The OIG is established under Ind. Code § 4-2-7-2 and is a law enforcement agency pursuant to Ind. Code § 35-31.5-2-185. The OIG is authorized by Ind. Code § 4-2-7-3 to receive complaints alleging violations of certain criminal statutes, as well as the Code of Ethics, and to conduct investigations. OIG Director of Investigations, Darrell Boehmer, conducted the investigation. Director Boehmer interviewed several individuals, including DCS employees, contractors and clients. He also reviewed numerous records, including billing invoices, visitation logs and phone records.

In the normal course of business, DCS contracts with vendors to provide services to children and families under DCS's purview. These vendors often subcontract with service providers to deliver the services to the children and families. The vendors set the amounts paid to the providers based on the type of services. The service providers bill the vendors, who then in turn bill DCS. DCS pays only for the time the provider is face to face with the DCS client.

The DCS audit found that Provider 4 was working for three vendors between January 1, 2013 and August 29, 2014, which was during the time period audited. The DCS audit found that Provider 4 double billed the DCS vendors for services, and the vendors then submitted bills to DCS based on Provider 4's services. DCS charged these amounts back to the vendors following the audit, and the vendors agreed to a settlement with DCS.

Director Boehmer's investigation confirmed that Provider 4 performed work under three DCS vendors and was double billing these three vendors for the same blocks of time. Provider 4 was an individual service provider that provided all services herself. She did not have employees or subcontractors working for her on the cases reviewed. The Lake County Courts had ordered these services to assist families and protect children. The types of ordered services included: services to eliminate drug-use and violence, as well as training on housekeeping, nutrition, childcare, transportation, and other as-needed services.

Director Boehmer reviewed Provider 4's billings to the three DCS vendors to determine the total length of time that Provider 4 had double billed for her services. An example of Provider 4's double billing is as follows: on January 2, 2013, for the time period between 10:00 a.m. and 12:00 p.m., Provider 4 billed one DCS vendor for providing service to one DCS clients, and she then billed a different DCS vendor for providing services to a different DCS client during the same two hour time period. Director Boehmer found that Provider 4 submitted double billing on

approximately 116 days involving 31 DCS clients. Director Boehmer determined that the approximate dollar amount for the fraudulent billing that one vendor paid to Provider 4 over the course of the audited time period was \$29,733.83. He determined that the approximate dollar amount for fraudulent billing that the second vendor paid to Provider 4 over the course of the audited time period was \$35,090.00. He determined that the approximate dollar amount for fraudulent billing that the third vendor paid Provider 4 over the audited time period was \$31,154.82. The total amount of potential fraudulent billing for all three vendors amounts to \$95,978.65.

Throughout his investigation, Director Boehmer also interviewed DCS clients and reviewed numerous documents, such as visitation logs, to determine whether Provider 4 was accurately reporting the time she spent face-to-face with DCS clients. Based on this review, Director Boehmer determined that the services Provider 4 billed the vendors appear to have exceeded the time Provider 4 spent face-to-face with the DCS clients.

The OIG submitted the results of this investigation to the Lake County Prosecutor's Office. The Lake County Prosecutor's Office charged Provider 4 with one count of Theft, a Class D Felony. Accordingly, this investigation is closed.

Dated: March 16, 2017

APPROVED BY:



Lori Torres, Inspector General